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APPLICATION

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Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: 10,250' Sand, Reservoir A
Little Cheniere Field
Cameron Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **BALLARD EXPLORATION COMPANY** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **10,250' Sand, Reservoir A**, in the Little Cheniere Field, Cameron Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated 10250 RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate a unit well for the proposed unit;
4. To designate Ballard Exploration Company as the unit operator for the proposed unit;

5. To provide that any future wells drilled to the 10,250' Sand, Reservoir A, should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that the Commissioner of Conservation should be authorized to reclassify the 10,250' Sand, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 10,250' Sand, Reservoir A, in the Little Cheniere Field, Cameron Parish, Louisiana, is hereby defined as that gas and condensate sand encountered between the depths of 10,423 feet and 10,520 feet, electric log measurements, in the Kerr McGee Oil Industries, Inc. - Mermentau Mineral & Land Co. No. 1 Well, located in Section 18, Township 14 South, Range 5 West, Cameron Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m., on Wednesday, July 31, 2002, at The Onebane Firm, 102 Versailles Blvd., Suite 600, Lafayette, Louisiana 70502, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. W. H. Robbins, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. Separate counterplans were presented by Bill Bailey and Chip LeBlanc on behalf of Pel-Tex, Charles Smith on behalf of Adam Nunez, and David Sturlese on behalf of J. P. Boudin, et al. Some discussions were held concerning a compromise, but no agreement was reached at the conference. The conference was then adjourned.

Subsequent to the conference, additional discussions led to a compromise by the applicant with two of the three parties who filed counterplans. This compromise limits the application to a request for creation of one drilling and production unit (rather than two as indicated in the Pre-Application Notice), with that unit being the size and shape shown on the plat attached hereto. Because one party did not consent to the compromise, there may be opposition at the hearing.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Mr. Bill Robbins at W. H. Robbins & Associates, 140 Rue Beauregard, Suite 100, Lafayette, Louisiana 70508, (337)232-5004.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$700.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/dde/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

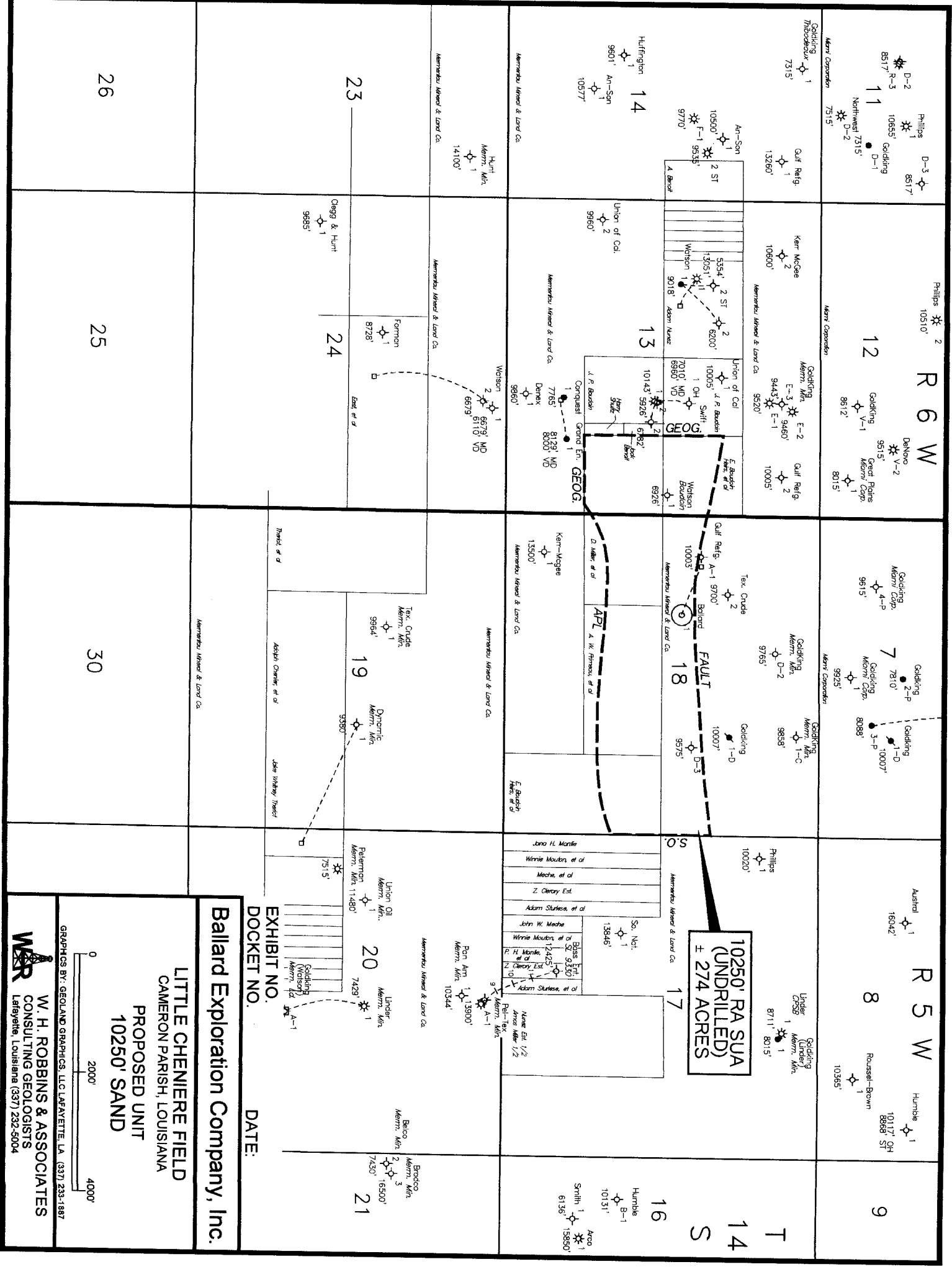


EXHIBIT NO.
DOCKET NO.
DATE:

Ballard Exploration Company, Inc.

LITTLE CHENIERE FIELD
CAMERON PARISH, LOUISIANA
PROPOSED UNIT
10250' SAND

GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAVETTE, LA (337) 233-1887

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